

General Purpose Financial Statements

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
SEPTEMBER 30, 1998

	GOVERNMENTAL FUNDS				PROPRIETARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
<u>ASSETS AND OTHER DEBITS</u>					
ASSETS					
Cash and Cash Equivalents	\$ 8,931,771	4,135,684	986,662	16,701,650	73,576,167
Investments	0	40,083	330,284	42,047,457	1,043,700
Receivables (Net of Allowances for Uncollectibles)					
Property Taxes	1,937,187	0	248,079	0	0
Accounts and Notes	5,573,259	0	0	3,819	6,518,298
Unbilled Services	0	0	0	0	2,804,380
Assessments	0	0	0	1,264,554	182,979
Accrued Dividends and Interest	0	0	0	310,183	7,784
Due from Other Funds	187,992	0	0	0	934,883
Due from Other Governments	854,732	4,472,067	0	176,268	3,387
Inventories	185,468	10,468,027	0	6,750	722,897
Restricted Assets					
Cash and Cash Equivalents	0	0	0	0	22,650,099
Investments	0	0	0	0	14,042,522
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	296,685,791
Investment in Joint Venture	0	0	0	0	1,363,640
Deferred Bond Issuance Costs	0	0	0	0	166,678
Advances to Other Funds	0	0	0	0	0
Deposits	68,315	0	0	0	0
Investments of Deferred Compensation Plan	0	0	0	0	0
Total Assets	17,738,724	19,115,861	1,565,025	60,510,681	420,703,205
OTHER DEBITS					
Amount Available for Payment of General Long-Term Debt	0	0	0	0	0
Amount to be Provided for Payment of General Long-Term Debt	0	0	0	0	0
Total Other Debits	0	0	0	0	0
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 17,738,724	19,115,861	1,565,025	60,510,681	420,703,205

The accompanying notes are an integral part of these financial statements.

FUNDS	FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT		1998	1997
INTERNAL SERVICE	TRUST AND AGENCY						
25,859,587	119,060	0	0	130,310,581	43,241	130,353,822	115,624,723
0	585,591,787	0	0	629,053,311	0	629,053,311	609,092,347
0	0	0	0	2,185,266	0	2,185,266	2,155,600
0	2,807,115	0	0	14,902,491	0	14,902,491	10,877,443
0	0	0	0	2,804,380	0	2,804,380	2,583,391
0	0	0	0	1,447,533	0	1,447,533	1,885,792
0	2,869,822	0	0	3,187,789	0	3,187,789	3,119,833
0	0	0	0	1,122,875	0	1,122,875	2,816,338
0	0	0	0	5,506,454	0	5,506,454	5,874,998
284,829	0	0	0	11,667,971	0	11,667,971	11,501,532
332,967	0	0	0	22,983,066	0	22,983,066	23,077,929
0	0	0	0	14,042,522	0	14,042,522	13,282,417
20,380,632	17,410	181,790,283	0	498,874,116	0	498,874,116	472,373,479
0	0	0	0	1,363,640	0	1,363,640	1,405,377
0	0	0	0	166,678	0	166,678	262,383
0	0	0	0	0	0	0	136,500
160,000	2,175	0	0	230,490	0	230,490	117,608
0	0	0	0	0	0	0	44,311,480
47,018,015	591,407,369	181,790,283	0	1,339,849,163	43,241	1,339,892,404	1,320,499,170
0	0	0	1,175,892	1,175,892	0	1,175,892	489,176
0	0	0	118,114,064	118,114,064	0	118,114,064	115,850,987
0	0	0	119,289,956	119,289,956	0	119,289,956	116,340,163
47,018,015	591,407,369	181,790,283	119,289,956	1,459,139,119	43,241	1,459,182,360	1,436,839,333

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
SEPTEMBER 30, 1998

	GOVERNMENTAL FUNDS				PROPRIETARY
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>					
LIABILITIES					
Vouchers Payable	\$ 1,112,515	1,198,492	119,827	1,436,817	4,365,242
Contracts Payable	0	161,774	0	633,565	812,912
Accrued Payroll	2,426,518	51,737	0	0	517,504
Accrued Interest Payable	0	0	21,227	0	0
Due to Other Funds	0	0	0	187,992	0
Due to Other Governments	21,799	0	0	0	3,467
Estimated Insurance Claims Payable	0	0	0	0	0
Payable from Restricted Assets					
Vouchers Payable	0	0	0	0	0
Accrued Interest	0	0	0	0	132,384
Deposits	0	0	0	0	2,930,384
Accrued Compensated Absences and Longevity	40,040	0	0	0	3,536,726
Deposits	1,155,458	744,718	0	175,045	461,346
Advances from Other Funds	0	0	0	0	0
Deferred Revenue	2,354,021	2,293,447	248,079	1,173,968	256,095
Deferred Compensation Payable	0	0	0	0	0
Long-Term Bonds, Notes and Loans					
Bonds, Notes and Loans Payable	0	0		0	29,725,000
Unamortized Bond Discount	0	0	0	0	(321,924)
Special Assessment Debt with Government Commitment	0	0	0	0	0
Estimated Landfill Closure Costs	0	0	0	0	10,000,000
Total Liabilities	7,110,351	4,450,168	389,133	3,607,387	52,419,136
EQUITY AND OTHER CREDITS					
Contributions	0	0	0	0	113,413,417
Investment in General Fixed Assets	0	0	0	0	0
Retained Earnings					
Reserved	0	0	0	0	18,477,764
Unreserved	0	0	0	0	236,392,888
Fund Balances					
Reserved	2,399,795	10,526,315	1,175,892	8,584,759	0
Unreserved	8,228,578	4,139,378	0	48,318,535	0
Total Retained Earnings/Fund Balances	10,628,373	14,665,693	1,175,892	56,903,294	254,870,652
Total Equity and Other Credits	10,628,373	14,665,693	1,175,892	56,903,294	368,284,069
<u>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</u>	<u>\$ 17,738,724</u>	<u>19,115,861</u>	<u>1,565,025</u>	<u>60,510,681</u>	<u>420,703,205</u>

The accompanying notes are an integral part of these financial statements.

FUNDS	FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT		1998	1997
INTERNAL SERVICE	TRUST AND AGENCY						
914,908	3,137,896	0	0	12,285,697	0	12,285,697	8,220,808
0	0	0	0	1,608,251	0	1,608,251	1,615,413
43,178	8,962	0	0	3,047,899	0	3,047,899	2,499,002
0	0	0	0	21,227	0	21,227	70,942
0	934,883	0	0	1,122,875	0	1,122,875	2,816,338
0	116,848	0	0	142,114	0	142,114	109,789
16,961,600	0	0	0	16,961,600	0	16,961,600	16,212,733
36,377	0	0	0	36,377	0	36,377	0
21,116	0	0	0	153,500	0	153,500	149,219
0	0	0	0	2,930,384	0	2,930,384	2,465,413
241,640	0	0	18,229,956	22,048,362	0	22,048,362	21,598,746
293,294	0	0	0	2,829,861	0	2,829,861	4,370,042
0	0	0	0	0	0	0	136,500
0	0	0	0	6,325,610	0	6,325,610	7,525,590
0	0	0	0	0	0	0	44,311,480
6,045,000	0	0	101,060,000	136,830,000	0	136,830,000	132,287,640
0	0	0	0	(321,924)	0	(321,924)	(411,832)
0	0	0	0	0	0	0	456,426
0	0	0	0	10,000,000	0	10,000,000	20,500,000
24,557,113	4,198,589	0	119,289,956	216,021,833	0	216,021,833	264,934,249
15,518,602	0	0	0	128,932,019	0	128,932,019	127,028,381
0	0	181,790,283	0	181,790,283	0	181,790,283	167,923,870
0	0	0	0	18,477,764	0	18,477,764	19,417,194
6,942,300	0	0	0	243,335,188	0	243,335,188	214,418,721
0	587,208,780	0	0	609,895,541	0	609,895,541	583,858,262
0	0	0	0	60,686,491	43,241	60,729,732	59,258,656
6,942,300	587,208,780	0	0	932,394,984	43,241	932,438,225	876,952,833
22,460,902	587,208,780	181,790,283	0	1,243,117,286	43,241	1,243,160,527	1,171,905,084
47,018,015	591,407,369	181,790,283	119,289,956	1,459,139,119	43,241	1,459,182,360	1,436,839,333

CITY OF FORT LAUDERDALE, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1998**

	<u>GOVERNMENTAL</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
<u>REVENUES</u>		
Property Taxes	\$ 56,539,962	0
Utility Taxes	25,873,734	0
Franchise Taxes	12,185,857	0
Licenses and Permits	6,594,535	0
Fines and Forfeitures	1,925,319	860,334
Intergovernmental	14,625,366	13,724,731
Charges for Services	18,163,448	48,000
Other	16,371,142	832,762
Total Revenues	<u>152,279,363</u>	<u>15,465,827</u>
<u>EXPENDITURES</u>		
Current		
General Government	19,591,212	54,409
Public Safety	87,817,296	3,773,868
Physical Environment	4,891,070	99,263
Transportation	2,182,618	361,305
Economic Environment	1,441,879	9,462,657
Culture and Recreation	21,205,154	0
Capital Outlay	0	1,097,327
Debt Service		
Principal Retirement	0	87,640
Interest and Fiscal Charges	0	156,487
Total Expenditures	<u>137,129,229</u>	<u>15,092,956</u>
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	<u>15,150,134</u>	<u>372,871</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Debt Issuance	0	0
Proceeds from Advance Refunding of Bonds	0	0
Payment to Refunding Bond Escrow	0	0
Operating Transfers In	489,611	1,144,817
Operating Transfers Out	(14,578,904)	(1,110,215)
Total Other Financing Sources (Uses)	<u>(14,089,293)</u>	<u>34,602</u>
<u>EXCESS REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>1,060,841</u>	<u>407,473</u>
<u>FUND BALANCES - BEGINNING OF PERIOD</u>	<u>9,876,274</u>	<u>14,419,093</u>
Equity Transfers from Other Funds	0	0
Equity Transfers to Other Funds	(308,742)	(160,873)
<u>FUND BALANCES - END OF PERIOD</u>	<u>\$ 10,628,373</u>	<u>14,665,693</u>

The accompanying notes are an integral part of these financial statements.

FUNDS		TOTALS (MEMORANDUM ONLY)	COMPONENT UNIT	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
DEBT SERVICE	CAPITAL PROJECTS	PRIMARY GOVERNMENT		1998	1997
0	0	56,539,962	41,018	56,580,980	53,016,274
0	0	25,873,734	0	25,873,734	24,922,817
0	0	12,185,857	0	12,185,857	12,265,838
0	0	6,594,535	0	6,594,535	7,035,531
0	0	2,785,653	0	2,785,653	2,789,907
0	1,131,608	29,481,705	0	29,481,705	24,316,505
0	0	18,211,448	0	18,211,448	13,325,127
144,752	4,020,159	21,368,815	4,564	21,373,379	18,460,405
<u>144,752</u>	<u>5,151,767</u>	<u>173,041,709</u>	<u>45,582</u>	<u>173,087,291</u>	<u>156,132,404</u>
0	0	19,645,621	0	19,645,621	18,411,735
0	0	91,591,164	0	91,591,164	85,859,876
0	0	4,990,333	0	4,990,333	4,218,179
0	0	2,543,923	0	2,543,923	3,094,211
0	0	10,904,536	36,350	10,940,886	7,646,687
0	0	21,205,154	0	21,205,154	20,285,678
0	15,692,682	16,790,009	0	16,790,009	9,466,547
6,780,000	456,426	7,324,066	0	7,324,066	7,820,336
5,600,965	9,603	5,767,055	0	5,767,055	3,737,942
<u>12,380,965</u>	<u>16,158,711</u>	<u>180,761,861</u>	<u>36,350</u>	<u>180,798,211</u>	<u>160,541,191</u>
<u>(12,236,213)</u>	<u>(11,006,944)</u>	<u>(7,720,152)</u>	<u>9,232</u>	<u>(7,710,920)</u>	<u>(4,408,787)</u>
0	9,500,000	9,500,000	0	9,500,000	36,500,670
6,070,347	0	6,070,347	0	6,070,347	0
(5,974,003)	0	(5,974,003)	0	(5,974,003)	0
12,422,966	6,785,967	20,843,361	0	20,843,361	16,037,792
0	(2,383,358)	(18,072,477)	0	(18,072,477)	(13,561,714)
<u>12,519,310</u>	<u>13,902,609</u>	<u>12,367,228</u>	<u>0</u>	<u>12,367,228</u>	<u>38,976,748</u>
283,097	2,895,665	4,647,076	9,232	4,656,308	34,567,961
489,176	54,511,248	79,295,791	34,009	79,329,800	45,957,155
403,619	2,750,341	3,153,960	0	3,153,960	13,515
0	(3,253,960)	(3,723,575)	0	(3,723,575)	(1,208,831)
<u>1,175,892</u>	<u>56,903,294</u>	<u>83,373,252</u>	<u>43,241</u>	<u>83,416,493</u>	<u>79,329,800</u>

CITY OF FORT LAUDERDALE, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS) -
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1998**

	GENERAL FUND			SPECIAL REVENUE	
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL
REVENUES					
Property Taxes	\$ 56,550,538	56,539,962	(10,576)	0	0
Utility Taxes	24,585,000	25,873,734	1,288,734	0	0
Franchise Taxes	12,002,360	12,185,857	183,497	0	0
Licenses and Permits	7,012,226	6,594,535	(417,691)	0	0
Fines and Forfeitures	2,131,088	1,925,319	(205,769)	0	0
Intergovernmental	14,515,700	14,625,366	109,666	15,561,401	13,724,731
Charges for Services	18,242,923	18,163,448	(79,475)	0	0
Other	15,977,819	16,371,142	393,323	497,100	645,802
Total Revenues	<u>151,017,654</u>	<u>152,279,363</u>	<u>1,261,709</u>	<u>16,058,501</u>	<u>14,370,533</u>
EXPENDITURES					
Current					
General Government	22,365,563	20,376,776	1,988,787	66,247	54,409
Public Safety	89,086,325	88,627,039	459,286	4,753,821	3,053,034
Physical Environment	5,171,831	4,904,310	267,521	98,579	99,263
Transportation	2,277,382	2,250,963	26,419	1,016,453	361,305
Economic Environment	1,746,038	1,483,791	262,247	10,137,328	9,463,312
Culture and Recreation	22,001,089	21,700,677	300,412	0	0
Capital Outlay	0	0	0	1,964,925	1,107,227
Debt Service					
Principal Retirement	844,172	0	844,172	87,640	87,640
Interest and Fiscal Charges	413,826	0	413,826	192,736	156,487
Total Expenditures	<u>143,906,226</u>	<u>139,343,556</u>	<u>4,562,670</u>	<u>18,317,729</u>	<u>14,382,677</u>
EXCESS REVENUES OVER (UNDER)					
EXPENDITURES	<u>7,111,428</u>	<u>12,935,807</u>	<u>5,824,379</u>	<u>(2,259,228)</u>	<u>(12,144)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Advance Refunding of Bonds	0	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	0	0
Operating Transfers In	545,244	489,611	(55,633)	1,150,761	1,144,817
Operating Transfers Out	(14,752,772)	(14,578,904)	173,868	(808,193)	(807,715)
Total Other Financing Sources (Uses)	<u>(14,207,528)</u>	<u>(14,089,293)</u>	<u>118,235</u>	<u>342,568</u>	<u>337,102</u>
EXCESS REVENUES AND OTHER SOURCES					
OVER (UNDER) EXPENDITURES AND					
OTHER USES	<u>(7,096,100)</u>	<u>(1,153,486)</u>	<u>5,942,614</u>	<u>(1,916,660)</u>	<u>324,958</u>
FUND BALANCES - BEGINNING OF PERIOD	8,325,069	8,325,069	0	11,676,229	11,676,229
Encumbrances at September 30, 1997	1,551,205	1,551,205	0	0	16
Equity Transfers from Other Funds	0	0	0	0	0
Equity Transfers to Other Funds	<u>(308,742)</u>	<u>(308,742)</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES - END OF PERIOD	<u>\$ 2,471,432</u>	<u>8,414,046</u>	<u>5,942,614</u>	<u>9,759,569</u>	<u>12,001,203</u>

The accompanying notes are an integral part of these financial statements.

FUNDS	DEBT SERVICE FUNDS			TOTALS (MEMORANDUM ONLY)		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
0	0	0	0	56,550,538	56,539,962	(10,576)
0	0	0	0	24,585,000	25,873,734	1,288,734
0	0	0	0	12,002,360	12,185,857	183,497
0	0	0	0	7,012,226	6,594,535	(417,691)
0	0	0	0	2,131,088	1,925,319	(205,769)
(1,836,670)	0	0	0	30,077,101	28,350,097	(1,727,004)
0	0	0	0	18,242,923	18,163,448	(79,475)
148,702	125,700	144,752	19,052	16,600,619	17,161,696	561,077
(1,687,968)	125,700	144,752	19,052	167,201,855	166,794,648	(407,207)
11,838	0	0	0	22,431,810	20,431,185	2,000,625
1,700,787	0	0	0	93,840,146	91,680,073	2,160,073
(684)	0	0	0	5,270,410	5,003,573	266,837
655,148	0	0	0	3,293,835	2,612,268	681,567
674,016	0	0	0	11,883,366	10,947,103	936,263
0	0	0	0	22,001,089	21,700,677	300,412
857,698	0	0	0	1,964,925	1,107,227	857,698
0	6,885,000	6,780,000	105,000	7,816,812	6,867,640	949,172
36,249	5,644,891	5,600,965	43,926	6,251,453	5,757,452	494,001
3,935,052	12,529,891	12,380,965	148,926	174,753,846	166,107,198	8,646,648
2,247,084	(12,404,191)	(12,236,213)	167,978	(7,551,991)	687,450	8,239,441
0	6,070,347	6,070,347	0	6,070,347	6,070,347	0
0	(5,974,003)	(5,974,003)	0	(5,974,003)	(5,974,003)	0
(5,944)	12,174,924	12,422,966	248,042	13,870,929	14,057,394	186,465
478	0	0	0	(15,560,965)	(15,386,619)	174,346
(5,466)	12,271,268	12,519,310	248,042	(1,593,692)	(1,232,881)	360,811
2,241,618	(132,923)	283,097	416,020	(9,145,683)	(545,431)	8,600,252
0	489,176	489,176	0	20,490,474	20,490,474	0
16	0	0	0	1,551,205	1,551,221	16
0	0	403,619	403,619	0	403,619	403,619
0	0	0	0	(308,742)	(308,742)	0
2,241,634	356,253	1,175,892	819,639	12,587,254	21,591,141	9,003,887

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1998

	<u>PROPRIETARY</u>
	<u>ENTERPRISE</u>
<u>OPERATING REVENUES</u>	
Charges for Services	\$ 78,820,361
Investment Income	0
Equity in Earnings of Joint Venture	87,228
Other	10,263,378
Total Operating Revenues	<u>89,170,967</u>
<u>OPERATING EXPENSES</u>	
Personal Services	23,271,052
Current Expenses	43,099,389
Administrative Costs	0
Depreciation	8,889,753
Total Operating Expenses	<u>75,260,194</u>
Operating Income (Loss)	<u>13,910,773</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Revenues	
Interest	6,654,221
Reduction in Estimated Landfill Closure costs	10,500,000
Other	255,114
Total	<u>17,409,335</u>
Expenses	
Interest and Fiscal Charges	1,972,262
Less Interest Capitalized	(305,092)
Total	<u>1,667,170</u>
Total Non-Operating Revenues (Expenses)	<u>15,742,165</u>
Income (Loss) Before Operating Transfers	<u>29,652,938</u>
<u>OPERATING TRANSFERS IN (OUT)</u>	
Transfers In	8,822
Transfers Out	(2,779,706)
Total Operating Transfers In (Out)	<u>(2,770,884)</u>
<u>NET INCOME (LOSS)</u>	26,882,054
Depreciation on Contributed Fixed Assets	2,597,963
Increase (Decrease) in Retained Earnings/Fund Balances	29,480,017
<u>RETAINED EARNINGS/FUND BALANCES - BEGINNING OF PERIOD</u>	226,609,639
Equity Transfers to Other Funds	<u>(1,219,004)</u>
<u>RETAINED EARNINGS/FUND BALANCES - END OF PERIOD</u>	<u>\$ 254,870,652</u>

The accompanying notes are an integral part of these financial statements.

FUNDS INTERNAL SERVICE	FIDUCIARY FUNDS NON-EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
		1998	1997
27,483,197	0	106,303,558	101,078,856
0	974,573	974,573	1,498,192
0	0	87,228	81,858
1,411,599	343,902	12,018,879	11,023,681
<u>28,894,796</u>	<u>1,318,475</u>	<u>119,384,238</u>	<u>113,682,587</u>
1,982,630	0	25,253,682	23,733,869
23,624,349	0	66,723,738	61,169,586
0	562,635	562,635	499,246
5,789,161	0	14,678,914	13,158,031
<u>31,396,140</u>	<u>562,635</u>	<u>107,218,969</u>	<u>98,560,732</u>
<u>(2,501,344)</u>	<u>755,840</u>	<u>12,165,269</u>	<u>15,121,855</u>
1,286,190	0	7,940,411	7,357,353
0	0	10,500,000	0
905,316	0	1,160,430	617,041
<u>2,191,506</u>	<u>0</u>	<u>19,600,841</u>	<u>7,974,394</u>
0	0	1,972,262	2,100,790
0	0	(305,092)	(578,773)
0	0	1,667,170	1,522,017
<u>2,191,506</u>	<u>0</u>	<u>17,933,671</u>	<u>6,452,377</u>
<u>(309,838)</u>	<u>755,840</u>	<u>30,098,940</u>	<u>21,574,232</u>
0	0	8,822	928,149
0	0	(2,779,706)	(3,404,227)
0	0	(2,770,884)	(2,476,078)
(309,838)	755,840	27,328,056	19,098,154
25,862	0	2,623,825	2,555,089
<u>(283,976)</u>	<u>755,840</u>	<u>29,951,881</u>	<u>21,653,243</u>
7,226,276	10,685,175	244,521,090	223,526,865
0	0	(1,219,004)	(659,018)
<u>6,942,300</u>	<u>11,441,015</u>	<u>273,253,967</u>	<u>244,521,090</u>

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1998

PROPRIETARY

ENTERPRISE

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 86,195,781
Receipts from Other Funds	1,971,978
Other Operating Receipts	0
Payments to Suppliers	(26,299,831)
Payments for Services of Employees	(23,100,265)
Payments to Other Funds	(14,923,830)
Net Cash Provided (Used) by Operating Activities	<u>23,843,833</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Repayment of Loans to Other Funds	2,816,338
Operating Grant Receipts	73,453
Transfers from Other Funds	8,822
Repayment of Loans from Other Funds	(136,500)
Loans to Other Funds	(934,883)
Transfers to Other Funds	(3,998,710)
Net Cash Used by Non-Capital Financing Activities	<u>(2,171,480)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from Debt Issuance	0
Proceeds from Disposal of Fixed Assets	203,666
Capital Contributions	3,088,115
Investment in Joint Venture	128,965
Acquisition and Construction of Fixed Assets	(15,760,469)
Retirement of Debt	(4,125,000)
Interest Paid on Debt	(1,899,189)
Net Cash Used by Capital and Related Financing Activities	<u>(18,363,912)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	344,600
Interest and Dividends on Investments	6,656,792
Purchase of Investments	(760,105)
Net Cash Provided by Investing Activities	<u>6,241,287</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

9,549,728

CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD

86,676,538

CASH AND CASH EQUIVALENTS - END OF PERIOD

\$ 96,226,266

CLASSIFIED AS

Unrestricted Assets	\$ 73,576,167
Restricted Assets	<u>22,650,099</u>
	\$ <u><u>96,226,266</u></u>

The accompanying notes are an integral part of these financial statements.

FUNDS	FIDUCIARY FUNDS NON-EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
		1998	1997
INTERNAL SERVICE			
0	343,902	86,539,683	80,277,884
28,589,580	0	30,561,558	27,913,063
310,236	0	310,236	180,249
(22,636,402)	(585,456)	(49,521,689)	(46,368,717)
(2,011,651)	0	(25,111,916)	(23,472,487)
(454,573)	0	(15,378,403)	(14,665,100)
<u>3,797,190</u>	<u>(241,554)</u>	<u>27,399,469</u>	<u>23,864,892</u>
0	0	2,816,338	527,921
0	0	73,453	104,296
0	0	8,822	928,149
0	0	(136,500)	(556,248)
0	0	(934,883)	(1,117,865)
0	0	(3,998,710)	(4,063,245)
<u>0</u>	<u>0</u>	<u>(2,171,480)</u>	<u>(4,176,992)</u>
6,066,116	0	6,066,116	0
1,074,213	0	1,277,879	838,861
1,688,619	0	4,776,734	4,071,013
0	0	128,965	125,768
(11,645,832)	0	(27,406,301)	(21,353,302)
0	0	(4,125,000)	(4,645,000)
0	0	(1,899,189)	(2,020,986)
<u>(2,816,884)</u>	<u>0</u>	<u>(21,180,796)</u>	<u>(22,983,646)</u>
0	8,481,303	8,825,903	4,675,297
1,286,190	509,437	8,452,419	7,865,265
0	(8,749,186)	(9,509,291)	(5,430,956)
<u>1,286,190</u>	<u>241,554</u>	<u>7,769,031</u>	<u>7,109,606</u>
2,266,496	0	11,816,224	3,813,860
<u>23,926,058</u>	<u>0</u>	<u>110,602,596</u>	<u>106,788,736</u>
<u>26,192,554</u>	<u>0</u>	<u>122,418,820</u>	<u>110,602,596</u>
25,859,587	0	99,435,754	87,524,667
332,967	0	22,983,066	23,077,929
<u>26,192,554</u>	<u>0</u>	<u>122,418,820</u>	<u>110,602,596</u>

Continued on next page

CITY OF FORT LAUDERDALE, FLORIDA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1998

PROPRIETARY

ENTERPRISE

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

<u>OPERATING INCOME (LOSS)</u>	\$ <u>13,910,773</u>
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ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Depreciation	8,889,753
Net Increase in Fair Value of Investments	0
Interest and Dividends on Investments	0
Equity in Earnings of Joint Venture	(87,228)
Changes in Assets and Liabilities	
(Increase) Decrease in Receivables	
Accounts	(937,631)
Unbilled Service	(220,989)
Accrued Dividends and Interest	0
Increase in Inventories	(74,791)
Decrease in Deferred Bond Issue Costs	95,705
(Increase) Decrease in Deposits	0
Increase (Decrease) in Vouchers Payable	1,860,807
Increase in Accrued Payroll	97,614
Decrease in Due to Other Governments	(5,993)
Increase in Estimated Insurance Claims Payable	0
Increase (Decrease) in Deposits Payable from Restricted Assets	464,971
Increase (Decrease) in Accrued Compensated Absences and Longevity	73,173
Increase (Decrease) in Deposits	(90,679)
Decrease in Deferred Revenue	(131,652)
Total Adjustments	<u>9,933,060</u>

<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	\$ <u><u>23,843,833</u></u>
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RECONCILIATION OF CASH AND CASH EQUIVALENTS OF FIDUCIARY FUNDS

Non-expendable Trust Funds
Pension Trust Funds
Agency Funds

CASH AND CASH EQUIVALENTS - FIDUCIARY FUNDS

NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES

During the year the liability for Estimated Landfill Closure Costs in the Sanitation Fund was reduced from \$20,500,000 to \$10,000,000 after an agreement was reached with a group of potential responsible parties that limited the City's share of the estimated remediation costs for the Wingate landfill site. See Note 10 for further disclosure.

The accompanying notes are an integral part of these financial statements.

FUNDS INTERNAL SERVICE	FIDUCIARY FUNDS NON-EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
		1998	1997
<u>(2,501,344)</u>	<u>755,840</u>	<u>12,165,269</u>	<u>15,121,855</u>
5,789,161	0	14,678,914	13,158,031
0	(471,710)	(471,710)	(992,687)
0	(509,437)	(509,437)	(505,349)
0	0	(87,228)	(81,858)
5,020	0	(932,611)	(30,617)
0	0	(220,989)	(275,688)
0	6,574	6,574	(156)
(2,904)	0	(77,695)	(124,250)
0	0	95,705	117,321
(100,000)	0	(100,000)	357,000
(52,051)	(22,821)	1,785,935	(688,377)
7,180	0	104,794	97,222
0	0	(5,993)	(24,210)
748,867	0	748,867	641,314
0	0	464,971	(3,473,512)
(36,201)	0	36,972	164,160
(60,538)	0	(151,217)	503,471
0	0	(131,652)	(98,778)
<u>6,298,534</u>	<u>(997,394)</u>	<u>15,234,200</u>	<u>8,743,037</u>
<u>3,797,190</u>	<u>(241,554)</u>	<u>27,399,469</u>	<u>23,864,892</u>
	\$ 0		
	0		
	<u>119,060</u>		
	\$ <u>119,060</u>		

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1998

	<u>GENERAL EMPLOYEES'</u>	<u>POLICE AND FIRE</u>	<u>TOTAL</u>
<u>ADDITIONS</u>			
Contributions			
City	\$ 5,482,994	6,653,658	12,136,652
Employee	3,044,788	2,488,227	5,533,015
State	0	2,902,854	2,902,854
Total	<u>8,527,782</u>	<u>12,044,739</u>	<u>20,572,521</u>
Investment Income			
Interest	5,636,769	8,578,246	14,215,015
Dividends	2,230,508	2,871,158	5,101,666
Net Appreciation in Fair Value of Investments	90,759	11,564,138	11,654,897
Other	<u>274,259</u>	<u>0</u>	<u>274,259</u>
Total	<u>8,232,295</u>	<u>23,013,542</u>	<u>31,245,837</u>
Investment Expense	<u>642,219</u>	<u>1,014,902</u>	<u>1,657,121</u>
Net Investment Income	<u>7,590,076</u>	<u>21,998,640</u>	<u>29,588,716</u>
Other Income	<u>111,974</u>	<u>32,000</u>	<u>143,974</u>
Total Additions	<u>16,229,832</u>	<u>34,075,379</u>	<u>50,305,211</u>
<u>DEDUCTIONS</u>			
Benefits Paid			
Retirement	11,089,585	13,771,666	24,861,251
Disability	303,096	448,562	751,658
Death	<u>715,925</u>	<u>167,974</u>	<u>883,899</u>
Total	<u>12,108,606</u>	<u>14,388,202</u>	<u>26,496,808</u>
Refunds			
Employee Contributions	331,099	140,524	471,623
Interest on Contributions	<u>31,330</u>	<u>20,129</u>	<u>51,459</u>
Total	<u>362,429</u>	<u>160,653</u>	<u>523,082</u>
Administrative Costs	<u>273,699</u>	<u>345,800</u>	<u>619,499</u>
Total Deductions	<u>12,744,734</u>	<u>14,894,655</u>	<u>27,639,389</u>
<u>NET INCREASE</u>	3,485,098	19,180,724	22,665,822
<u>FUND BALANCES RESERVED FOR EMPLOYEES' PENSION</u>			
<u>BENEFITS - BEGINNING OF PERIOD</u>	<u>230,498,395</u>	<u>322,603,548</u>	<u>553,101,943</u>
<u>FUND BALANCES RESERVED FOR EMPLOYEES' PENSION</u>			
<u>BENEFITS - END OF PERIOD</u>	<u>\$ 233,983,493</u>	<u>341,784,272</u>	<u>575,767,765</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

INDEX

Note

Page

(1)	Summary of Significant Accounting Policies.....	19
(2)	Comparison of Budget to Actual Results.....	25
(3)	Cash and Cash Equivalents and Investments.....	26
(4)	Property Taxes.....	27
(5)	Interfund Receivable and Payable.....	28
(6)	Fixed Assets.....	28
(7)	Investment in Joint Venture.....	29
(8)	Risk Management.....	29
(9)	Long-Term Debt.....	30
(10)	Estimated Landfill Closure Costs.....	32
(11)	Contributions.....	33
(12)	Retained Earnings/Fund Balances.....	33
(13)	Employee Retirement Systems.....	34
(14)	Other Postemployment Benefits.....	37
(15)	Deferred Compensation Plan.....	37
(16)	Other Income.....	37
(17)	Equity Transfers.....	38
(18)	Operating Leases.....	38
(19)	Segments of Enterprise Activities.....	39
(20)	Commitments and Contingent Liabilities.....	39
(21)	Year 2000 Issue.....	40
(22)	Subsequent Event.....	41

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Fort Lauderdale, Florida (the City) have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. The following is a summary of the more significant accounting policies of the City:

- (A) The Financial Reporting Entity - The City was incorporated in 1911, covers an area of approximately 33 square miles and is the county seat of Broward County, Florida. The City is governed by an elected five member commission composed of a Mayor and four District Commissioners and provides services to its approximately 150,000 residents in many areas, including law enforcement, community enrichment and development and various human services. As required by GAAP, these financial statements present the City of Fort Lauderdale (the primary government) and its component units. The component units discussed in note 1(B) below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City.
- (B) Individual Component Unit Disclosure - The criteria used for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

The Fort Lauderdale Community Redevelopment Agency (CRA) is governed by a five member board appointed by the City Commission (currently composed of the City Commission, itself). Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated redevelopment areas. The CRA is reported within the special revenue fund type using the blended method. Separate financial information for the CRA can be obtained from the City's Planning and Economic Development Department.

The Sunrise Key Safe Neighborhood Improvement District (SK) is governed by a seven member board appointed by the City Commission. While legally separate from the City, SK is reported as part of the reporting entity under the discretely presented method because the City's elected officials are financially accountable for the SK. The City Commission has the power to approve, disapprove or modify the budget and millage rates or assessments submitted by the board. Separate financial information can be obtained from the District.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1998

- (C) Related Organizations - The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not significantly extend beyond making the appointments. The City Commission appoints the governing board of the City of Fort Lauderdale Downtown Development Authority (DDA) and the Housing Authority of the City of Fort Lauderdale (HA). The City is not financially accountable for either the DDA or HA.
- (D) Joint Ventures - The City is a participant with the Performing Arts Center Authority (PACA) and the DDA in a joint venture to own and operate the 950 space Arts and Science District Parking Garage. The City has an ongoing financial interest in this joint venture which is discussed in note 7.
- (E) Basis of Presentation - The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, equities, revenues and expenditures or expenses. The various funds are grouped by type in the financial statements. The following fund types and account groups are used by the City:

GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than net income. The following are the City's governmental fund types:

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - Debt service funds are used to account for the annual payment of principal, interest and other expenditures on general long-term debt, other than bonds payable from the operations of the enterprise funds.

Capital Projects Funds - Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1998

PROPRIETARY FUND TYPES

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is on determination of net income. The following are the City's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City or to other governmental units.

FIDUCIARY FUND TYPES

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds. The following are the City's fiduciary fund types:

Trust and Agency Funds - Trust and agency funds are used to account for assets held in trust or as an agent by the City for others. The City has two types of trust funds: nonexpendable and pension. Nonexpendable and pension trust funds are accounted for and reported in the same manner as proprietary funds. Agency funds are custodial in nature and do not involve measurement of net income.

ACCOUNT GROUPS

Account groups are used to establish accounting controls and accountability for the City's general fixed assets and its general long-term debt. The City's account groups are further described below:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those accounted for in the enterprise, internal service and pension trust funds.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the City except that accounted for in the enterprise and internal service funds.

COMPARATIVE TOTAL DATA

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

Comparative total data are the aggregate of the fund types, account groups and the discretely presented component unit. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated financial information and are labeled as "memorandum only".

Total data for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial position and operations.

- (F) Basis of Accounting - The modified accrual basis of accounting is followed by the governmental and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual, i.e., measurable and available to finance the City's operations. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the related fund liabilities are incurred, if measurable, except for interest on long-term debt and the long-term portion of accumulated compensated absences and longevity pay, which are recognized when due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual.

The major utility and franchise taxes are recorded as revenues when earned. Licenses and permits, fines and forfeitures, charges for services, and other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are recorded as revenues in the fiscal year levied, provided they are collected in the current period or within sixty days thereafter. Those remaining uncollected are recorded as deferred revenues. Investment income is recorded as revenue when earned. Special assessments are recorded as revenues only to the extent that individual installments are considered available.

The accrual basis of accounting is utilized by proprietary funds and pension and nonexpendable trust funds. Unbilled service receivables have been accrued in the proprietary funds.

- (G) Budgetary Data - The City Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

- (1) Prior to September 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted.
- (3) Prior to October 1, the budget is legally enacted.
- (4) The level of control (level at which expenditures may not exceed budget) is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Any revisions that alter the total expenditures of any department must be approved by the City Commission. Unencumbered balances of appropriations lapse at year end.
- (5) Budgets have been adopted for all governmental and proprietary funds except the Law Enforcement Confiscated Property Special Revenue Fund and the capital project funds. The budgets have been adopted on a basis consistent with generally accepted accounting principles with the following exceptions: Advances from other funds are presented as revenues, and encumbrances, advances to other funds and principal on long-term debt of the proprietary funds are presented as expenditures or expenses (see note 2 for further disclosure).

The reported budgetary data represents the final approved budget after amendments adopted by the City Commission with one exception. Budgets for grants and shared revenues from other governmental units which do not lapse at year end are only reported to the extent of revenues recognized and expenditures incurred for the current year. Individual amendments were not material in relation to the original adopted budget.

- (H) Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.
- (I) Cash and Cash Equivalents - The City considers cash on hand, cash with fiscal agents, demand deposits, certificates of deposit and bank repurchase agreements as cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty.
- (J) Investments - Investments are stated at fair value. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the City are accounted for in the City's investment pool. Income

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

earned from this pool is allocated to the respective funds based upon average monthly balances.

- (K) Inventories - Inventories in the special revenue and capital projects funds are composed of land held for redevelopment or resale and are stated at cost. Inventories of materials and supplies in the general, enterprise and internal service funds are based on year end physical counts priced at weighted average cost. Inventories are recognized as expenditures or expenses when consumed.
- (L) Advances to Other Funds - Long-term interfund advances of the governmental funds are recorded by the advancing fund as a receivable and a reservation of fund balance. Repayments reduce the corresponding receivable and the reserve.
- (M) Fixed Assets - Proprietary and Pension Trust Funds - Property, plant and equipment owned by the proprietary and pension trust funds are stated at cost or estimated historical cost. Contributions of fixed assets received from Federal, state or local sources are recorded as contributions when received and are stated at estimated fair market value at the time of acquisition. Depreciation on such externally contributed fixed assets is recorded as a reduction of contributed equity. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Interest is capitalized on projects during the construction period based upon average accumulated project expenditures.

Depreciation of plant and equipment is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Improvements	20-50 years
Equipment	3-15 years

- (N) General Fixed Assets - General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

Certain improvements, including roads, bridges, curbs and gutters, streets, sidewalks and lighting systems, are not capitalized. Such assets normally are immovable and of value only to the City. No depreciation has been provided on general fixed assets.

- (O) Pension Plans - The City provides separate defined benefit pension plans for general employees and uniformed police and fire department personnel. The City also provides a defined contribution pension plan for general employees not eligible to participate in the defined benefit plan. It is the City's policy to fund the normal cost and amortization of the unfunded prior service cost (see note 13).

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

- (P) Self-Insurance - The City is self-insured for general liability, automobile liability, police professional liability, workers' compensation, employee relations and certain death benefits. The operating funds are charged premiums by the City Insurance Internal Service Fund. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year end including claims incurred and not yet reported.
- (Q) Employee Compensated Absences and Longevity - City employees are granted sick, vacation and longevity pay in varying amounts based on length of service. Compensatory time is granted to employees in lieu of overtime pay at the employee's request. Sick leave payments to terminated employees are based on length of service. Unused vacation pay and compensatory time are paid upon an employee's termination. Longevity pay is paid to eligible employees annually based on length of service. Expenditures for accumulated compensated absences and longevity have been recorded in the governmental funds to the extent that such amounts will be paid from expendable available resources. The remaining portion has been recorded as a liability in the general long-term debt account group. Accumulated compensated absences and longevity are recorded as expenses in the proprietary funds when earned.
- (R) Reserves - Reserves are reported in the various funds to indicate that portion of fund balance/retained earnings legally segregated for specific purposes.
- (S) Landfill Closure Costs - Landfill closure and postclosure care costs represent an estimate of the City's share of total current costs to close and monitor the City's landfill. The landfill is accounted for in the Sanitation Enterprise Fund.
- (T) Proprietary Fund Accounting - In accordance with GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", all proprietary funds will apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The City chooses not to follow FASB guidance issued after November 30, 1989 for its proprietary funds.

(2) COMPARISON OF BUDGET TO ACTUAL RESULTS:

As discussed in note 1(G)(5), certain adjustments are necessary to compare actual data on a GAAP versus budget basis. Adjustments necessary to compare the fund balances of the general and special revenue funds at year end follow:

	<u>General</u>	<u>Special Revenue</u>
Combined statement of revenues, expenditures and changes in fund balances - page 7	\$ 10,628,373	14,665,693

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998

Basis of accounting adjustments:		
Encumbrances	(2,214,327)	(10,555)
Equity adjustments:		
Fund balances of non-budgeted funds		
Law Enforcement Confiscated Property Fund	0	(2,653,935)
Combined statement of revenues, expenditures and changes in fund balances - budget and actual (budget basis) - page 9	\$ 8,414,046	12,001,203

The City Attorney department within the General Fund, the General Obligation Bonds Debt Service Fund and Insurance department within the City Insurance Internal Service Fund had excesses of actual expenditures/expenses over budget for the year of \$1,349, \$78,605 and \$1,327,404, respectively.

(3) CASH AND CASH EQUIVALENTS AND INVESTMENTS:

The City maintains a common cash and investment pool for use by all funds. In addition, cash and investments are separately held by the City's special revenue, debt service, capital projects, enterprise and trust funds.

Cash and Cash Equivalents

At September 30, 1998 the carrying amount of the City's deposits was \$8,128,641 with a bank balance of \$9,989,323. Of the bank balance, \$354,095 was covered by Federal depository insurance or by collateral held by the City's agent in the City's name and \$9,635,228 was insured via participation by the bank in the Florida Security for Public Deposits Act. Included in the carrying amount of deposits was \$20,373 cash on hand.

Investments

In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", all investments are reported at fair value.

Florida Statutes and City Ordinance authorize City officials to invest pooled funds in United States bonds and obligations, guaranteed United States agency issues, Florida state, county, municipal, school district and other political subdivision general, excise and revenue obligations, the Florida State Investment Pool, the Florida Municipal Investment Trust, Florida bank certificates of deposit, bankers acceptances, repurchase agreements, reverse repurchase agreements and prime commercial paper issues. In addition, the trust funds are authorized to invest in corporate bonds and stocks, money market funds, real estate and mortgages and notes.

The City's investments are categorized by type to give an indication of the level of credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's counterparty, or by its trust department or agent, but not in the City's name.

Open market securities and mutual fund fair values were determined using the quoted market values on the exchange in which the securities are traded. The value of the City's investment in the Florida State Investment Pool, which is not Securities and Exchange Commission (SEC) registered but which qualifies as an SEC 2a7-like pool, is the same as the pool's share price. This local government surplus fund investment pool is administered by the Florida State Board of Administration, an agency of the State of Florida, with regulatory oversight exercised by the State. In the case of the Florida Municipal Investment Trust, which is also not SEC registered and which has not fully implemented the requirements of GASB Statement No. 31 as they pertain to adjustment of income by changes in the fair market value of its assets, the number of shares and price per share of the fund are adjusted to account for changes in market value of the underlying assets. The Florida Municipal Investment Trust is a local government investment trust administered by the Florida League of Cities.

At September 30, 1998 the fair value and category of credit risk of the City's investments are as follows:

	<u>Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S. Treasury Securities	\$ 5,215,573	118,531,695	0	123,747,268
U.S. Government Agency Securities	0	37,454,594	0	37,454,594
Bank Repurchase Agreements	0	0	5,279,000	5,279,000
Corporate Obligations	0	73,342,304	0	73,342,304
Common Stock	0	346,933,466	0	346,933,466
	<u>\$ 5,215,573</u>	<u>576,262,059</u>	<u>5,279,000</u>	586,756,632
Money Market Mutual Funds				29,202,682
Florida State Investment Pool				157,441,214
Florida Municipal Investment Trust				11,620,863
Real Estate Investments				<u>2,115,236</u>
				<u>\$ 787,136,627</u>

As of September 30, 1998 the Florida State Investment Pool contained certain insignificant floating rate notes, which could be classified as "derivative" investments under GASB Technical Bulletin No. 94-1.

Interest receivable on the City's investment pool amounted to \$124,212 at September 30, 1998.

The City's bank repurchase agreements are collateralized at the bank's holding company trust department with securities pledged to the City having a market value of \$5,385,044 at year end. Due to fluctuating cash flows throughout the year, the City's investment in overnight bank repurchase agreements, for which the underlying securities were held by the bank's holding

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

company trust department, varies significantly. As a result, the amounts that were classified in Category 3 during the year at times were higher than at year end.

(4) PROPERTY TAXES:

The City's property tax is levied, becomes a lien on real and personal property located in the City and is recorded as a receivable on November 1 of each year based upon the assessed value listed as of the prior January 1. Assessed values are established by the Broward County Property Appraiser. The assessed value at January 1, 1997, upon which the 1997-98 levy was based, was approximately \$10.2 billion.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for General Fund operations exclusive of voted debt levies. Taxes levied for the General Fund for the 1997-98 fiscal year were 5.0633 mills for operations and 0.7576 for debt service.

All taxes are due from property holders on March 31, become delinquent on April 1 and become subject to the issuance of tax sale certificates on June 1. Current tax collections for the year ended September 30, 1998 were approximately 99.2% of the total tax levy.

(5) INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivable and payable balances at September 30, 1998 follow:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 187,992	0
Capital Projects Funds:		
Sunshine State Construction Fund 1996	0	187,992
Enterprise Funds:		
Water and Sewer	934,883	0
Trust Funds:		
General Employees' Pension	0	8,437
Police and Fire Pension	0	926,446
	<u>\$ 1,122,875</u>	<u>1,122,875</u>

(6) FIXED ASSETS:

The components of fixed assets at September 30, 1998 follow:

<u>Proprietary Funds</u>	General
Internal	Fixed Assets

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

	<u>Enterprise Funds</u>	<u>Service Funds</u>	<u>Trust Funds</u>	<u>Account Group</u>	<u>Total</u>
Land	\$ 16,084,644	0	0	26,773,815	42,858,459
Buildings	169,142,137	708,459	0	76,970,610	246,821,206
Improvements	208,840,427	672,921	0	40,850,405	250,363,753
Equipment	22,821,634	40,708,749	73,225	25,921,692	89,525,300
Work in Progress	<u>17,226,233</u>	<u>136,583</u>	<u>0</u>	<u>11,273,761</u>	<u>28,636,577</u>
	434,115,075	42,226,712	73,225	181,790,283	658,205,295
Less Accumulated Depreciation	<u>137,429,284</u>	<u>21,846,080</u>	<u>55,815</u>	<u>0</u>	<u>159,331,179</u>
	<u>\$ 296,685,791</u>	<u>20,380,632</u>	<u>17,410</u>	<u>181,790,283</u>	<u>498,874,116</u>

The following tables summarize changes in components of the general fixed assets account group:

	<u>Balance October 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 1998</u>
Land	\$ 24,806,912	1,966,903	0	26,773,815
Buildings	73,444,037	3,526,573	0	76,970,610
Improvements	39,059,636	1,790,769	0	40,850,405
Equipment	25,006,332	2,857,581	1,942,221	25,921,692
Work in Progress	<u>5,606,953</u>	<u>13,419,018</u>	<u>7,752,210</u>	<u>11,273,761</u>
	<u>\$ 167,923,870</u>	<u>23,560,844</u>	<u>9,694,431</u>	<u>181,790,283</u>

The sources of general fixed assets acquired follow:

General Fund	\$18,900,883
Special Revenue	26,588,337
Capital Projects	118,412,290
Enterprise	286,963
Contributed	2,027,754
Assets acquired prior to October 1, 1974 - sources undetermined	<u>15,574,056</u>
	<u>\$ 181,790,283</u>

(7) INVESTMENT IN JOINT VENTURE:

The City has agreements with the PACA and the DDA for the operation of a 950 space parking garage in the Arts and Science District of the City. The City, as operating agent, has full and exclusive responsibility for operation and maintenance of the garage which is being accounted for as a joint venture in the Parking System Fund using the equity method of accounting.

The City collects all revenues and pays all operating expenses for the garage and determines the allocation to each of the participants monthly. Net income for the year was \$695,417, derived

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

exclusively from operations. The equity interests of the City, the PACA and the DDA totaled \$1,363,640, \$1,567,641 and \$735,003, respectively at September 30, 1998. Separate financial statements for the joint venture are available from the City's Finance Department.

(8) RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City Insurance Internal Service Fund is used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation, employee relations, general liability, auto liability and police professional liability as specified by applicable Federal and state statutes. The City purchases commercial insurance for workers' compensation claims in excess of \$600,000 for general employees and \$750,000 for police officers and firefighters with limits of \$10,000,000 per accident. In addition, property insurance is purchased for City structures with values generally

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998

greater than \$100,000 with total limits in force of \$255,000,000. Settled claims have never exceeded the City's retention and excess coverage in force.

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated insurance claims payable at September 30, 1998 of \$16,961,600 is based on the requirements of GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" as amended by GASB Statement No. 30 "Risk Financing Omnibus", which requires that claims liabilities be based upon the estimated ultimate costs of settling the claims, including incremental costs, such as outside legal assistance costs incurred only because of the claims and that the liability include incurred but not reported losses estimated based upon historical experience. Changes in the balance of estimated insurance claims payable for the fiscal years ended September 30, 1997 and 1998 follow:

	<u>Balance</u> <u>October 1</u>	<u>New Claims</u> <u>and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>September 30</u>
Fiscal Year Ending in:				
1997	\$ 15,571,419	5,322,157	4,680,843	16,212,733
1998	16,212,733	6,648,994	5,900,127	16,961,600

(9) LONG-TERM DEBT:

The following is a summary of long-term debt transactions of the City for the fiscal year ended September 30, 1998:

	<u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>
Payable at October 1, 1997	\$ 57,813,553	277,841	116,340,163
New Debt Issued:			
Sunshine State Financing Commission Loan	0	0	9,500,000
Excise Tax Bonds	0	6,045,000	6,070,000
Debt Retired:			
General Obligation Bonds	0	0	(3,425,000)
Excise Tax Bonds	(955,000)	0	(8,580,000)
Revenue Bonds	(3,170,000)	0	0
Tax Increment Revenue Bonds	0	0	(260,000)
Sunshine State Financing Commission Loans	0	0	(360,000)
Special Assessment Debt with Government Commitment	0	0	(456,426)
Promissory Note	0	0	(42,640)
Net Change in Estimated Landfill Closure Costs	(10,500,000)	0	0
Net Change in Accrued Compensated Absences and Longevity	<u>73,173</u>	<u>(36,201)</u>	<u>503,859</u>
Payable at September 30, 1998	<u>\$43,261,726</u>	<u>6,286,640</u>	<u>119,289,956</u>

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

Bonds, Notes and Loans Payable at September 30, 1998 consists of:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>General Long-Term Debt</u>
General Obligation Bonds	\$ 0	0	62,325,000
Excise Tax Bonds	8,095,000	6,045,000	16,435,000
Water and Sewer Revenue Bonds	21,630,000	0	0
Tax Increment Revenue Bonds	0	0	5,590,000
Sunshine State Financing Commission Loans	<u>0</u>	<u>0</u>	<u>16,710,000</u>
	\$ <u>29,725,000</u>	<u>6,045,000</u>	<u>101,060,000</u>

Bonds outstanding at September 30, 1998 mature in varying amounts during succeeding fiscal years through 2018. Interest rates are as follows: 4.8% to 6.3% on general obligation bonds, 3.95% to 6.6% on excise tax bonds, 4.7% to 5.7% on water and sewer revenue bonds and 5.2% to 6.2% on tax increment revenue bonds. The Sunshine State Financing Commission Loans are variable rate instruments with the tax exempt loans averaging 3.95% and the taxable loan averaging 6.0%.

The annual requirements to pay principal and interest on the bonds, notes and loans outstanding at September 30, 1998 (in thousands) follow and include estimated amounts for interest on the variable rate Sunshine State Loans:

	<u>Enterprise Funds</u>		<u>Internal Service Funds</u>	<u>General Long-Term Debt</u>			
	<u>Excise Tax Bonds</u>	<u>Water & Sewer Revenue Bonds</u>	<u>Excise Tax Bonds</u>	<u>General Obliga- tion Bonds</u>	<u>Excise Tax Bonds</u>	<u>Tax Increment Revenue Bonds</u>	<u>Sunshine State Loans</u>
Fiscal Year Ending In:							
1999	\$ 1,452	4,221	836	7,247	2,307	601	1,596
2000	1,453	4,006	817	7,044	2,295	602	1,733
2001	1,438	3,897	819	7,057	2,297	602	1,801
2002	1,433	2,189	814	7,054	2,301	605	1,874
2003	1,414	2,187	818	6,931	2,301	603	1,948
2004-2008	2,805	10,940	3,262	30,343	8,697	3,016	5,807
2009-2013	0	0	0	14,476	0	2,418	2,095
2014-2018	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,645</u>	<u>0</u>	<u>0</u>	<u>694</u>
	\$ <u>9,995</u>	<u>27,440</u>	<u>7,366</u>	<u>91,797</u>	<u>20,198</u>	<u>8,447</u>	<u>17,548</u>

Water and Sewer Revenue Bonds are secured by a pledge of the net revenues of the City's water and sewer system. General Obligation Bonds are secured by the full faith and credit of the City. The Excise Tax Bonds are secured by a pledge of certain utility service, cigarette and franchise taxes. In addition, the City of Pompano Beach, Florida has contractually agreed to pay 39% of the debt service costs on the Excise Tax Improvement Bonds which were used to fund an 800 MHz public safety communications system for both cities. Tax Increment Revenue Bonds are

CITY OF FORT LAUDERDALE, FLORIDA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS SEPTEMBER 30, 1998

secured by a pledge of the net revenues of the City's parking system. The Sunshine State Financing Commission Loans are secured by a pledge of non-ad valorem tax revenues and a covenant to budget and appropriate.

The bond resolutions of the various Excise Tax Improvement and Revenue Bond issues require that sufficient funds be available to meet the largest debt service requirement in any ensuing fiscal year. The City maintains a municipal bond debt service reserve fund insurance policy to satisfy this requirement for its outstanding Excise Tax Improvement Bonds, thereby eliminating the need to set aside funds for this purpose. At September 30, 1998 funds available met the debt service requirements for Revenue Bonds.

The City has refinanced various bond issues through the issuance of refunding bond issues. The proceeds from the refunding issues have been deposited in irrevocable trusts at commercial banks and invested in U.S. Government securities, which together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest on the issues refunded. The assets, liabilities, and financial transactions of these trust accounts are not reflected in the financial statements of the City. At September 30, 1998 defeased debt outstanding totaled \$10,600,000 in Water and Sewer Revenue Bonds, Series 1978 and \$5,800,000 in Excise Tax Improvement Bonds, Series 1992.

On September 22, 1998 the City entered into a seven year loan agreement with the Sunshine State Government Financing Commission (SSGFC) for \$9,500,000, the proceeds of which are being used to fund the City's Police technology plan. The variable rate loan provides for monthly interest and annual principal payments with a final maturity on September 1, 2005. The SSGFC was created by interlocal agreement among several Florida governmental entities to provide low cost loans to local governments maintaining debt ratings of A or better. The SSGFC issues tax exempt Commercial Paper, the proceeds of which are loaned to qualifying governments. The Commercial Paper is remarketed as it matures and the debt is serviced by monthly principal and interest payments from the participating governments.

On August 11, 1998 the City sold \$6,070,000 in Excise Tax Refunding Bonds, Series 1998A which were used to advance refund \$5,800,000 of the Excise Tax Improvement Bonds, Series 1992 and \$6,045,000 in Excise Tax Improvement Bonds, Series 1998B which are being used to purchase fire apparatus. Both issues provide for semi-annual interest and annual principal payments with interest rates ranging from 4.0% to 4.2% and a final maturity on September 1, 2007.

(10) ESTIMATED LANDFILL CLOSURE COSTS:

The Wingate landfill and incinerator was an active disposal site from 1954 to 1978. In 1990, the site was designated by the Environmental Protection Agency (EPA) as a superfund site requiring the City to take remedial action. Based on the results of a 1994 Remedial Investigation and Feasibility Study, the EPA agreed to various remedies including a single layer cap in 1996 in a final Record of Decision at an estimated remediation cost of \$20,500,000 which was recognized as a liability in the Sanitation Enterprise Fund. In 1998, the EPA, the City and a group of potential responsible parties (PRPs) entered into a Consent Decree to remediate and close the site. The Consent Decree is currently in Federal Court awaiting validation.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

During the fiscal year, the City also entered into an agreement with the PRPs, known as the Wingate Superfund Group, to oversee compliance with the Consent Decree, provide for payment of expenses associated with the remediation, promote cost effective response actions, allocate management and financial responsibilities for the remediation, and resolve claims for cost recovery

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

between the parties. The agreement with the Wingate Superfund Group creates a trust fund for collection and disbursement of funds for the remediation and limits the City's share of remediation costs to \$8,325,000. In addition, we anticipate incurring another \$1,675,000 in ancillary costs. As a result of the agreement limiting the City's exposure, we have reduced our liability for Estimated Landfill Closure Costs from \$20,500,000 to \$10,000,000 in the Sanitation Enterprise Fund. We anticipate that our share of postclosure costs will be financed with a combination of revenue bonds and existing funds.

(11) CONTRIBUTIONS:

The enterprise and internal service funds receive permanent contributions of capital from certain government agencies and other sources. Most of these contributions are restricted by the contributing government agency to the acquisition or construction of capital facilities. The additions and major sources of contributions are as follows:

	<u>Water and Sewer</u>	<u>Other Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Contributions at October 1, 1997	\$ 101,257,670	11,914,866	13,855,845	127,028,381
Additions (Deletions):				
Federal Government	0	640,348	0	640,348
State of Florida	0	671,928	0	671,928
Other Local Units	218,000	0	0	218,000
Other Funds (Net)	100,000	0	1,688,619	1,788,619
Developers	1,057,840	0	0	1,057,840
Other	86,727	64,000	0	150,727
Current Year Depreciation	<u>(2,120,232)</u>	<u>(477,730)</u>	<u>(25,862)</u>	<u>(2,623,824)</u>
Contributions at September 30, 1998	\$ <u>100,600,005</u>	<u>12,813,412</u>	<u>15,518,602</u>	<u>128,932,019</u>

(12) RETAINED EARNINGS/FUND BALANCES:

Reserves have been established in the various funds to comply with generally accepted accounting principles or covenants contained in the bond resolutions of the revenue bond issues. In addition, portions of the unreserved fund balances have been designated for subsequent years' expenditures.

At September 30, 1998 the components of Retained Earnings/Fund Balances consist of the following:

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Retained Earnings:			
Reserved for			
Revenue Bond Retirement	\$ 3,753,907	0	3,753,907
Replacement and Improvement	7,516,417	0	7,516,417
Regional Capital Improvements	7,207,440	0	7,207,440
Unreserved	<u>236,392,888</u>	<u>6,942,300</u>	<u>243,335,188</u>
	\$ <u>254,870,652</u>	<u>6,942,300</u>	<u>261,812,952</u>

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>	<u>Total</u>
Fund Balances:						
Reserved for						
Encumbrances	\$ 2,214,327	18,205	0	8,578,009	0	10,810,541
Inventories	185,468	10,468,027	0	6,750	0	10,660,245
Employees' Pension Benefits	0	0	0	0	575,767,765	575,767,765
Endowments	0	0	0	0	11,441,015	11,441,015
Debt Service	0	40,083	1,175,892	0	0	1,215,975
Unreserved						
Designated for Subsequent						
Years' Expenditures	6,023,011	1,333,489	0	41,570,375	0	48,926,875
Undesignated	<u>2,205,567</u>	<u>2,805,889</u>	<u>0</u>	<u>6,748,160</u>	<u>0</u>	<u>11,759,616</u>
	<u>\$ 10,628,373</u>	<u>14,665,693</u>	<u>1,175,892</u>	<u>56,903,294</u>	<u>587,208,780</u>	<u>670,582,032</u>

At September 30, 1998 the following funds had deficit balances in retained earnings that were either fully or partially offset by accumulated contributions:

	<u>Retained Earnings</u>	<u>Contributions</u>	<u>Fund Equity</u>
Sanitation Fund	\$ (5,398,323)	1,438,107	(3,960,216)
City Insurance Fund	(896,151)	802,315	(93,836)
Central Services Fund	(1,177,455)	7,066,906	5,889,451

The Sanitation Fund deficit resulted from its estimated landfill closure liability of \$10,000,000 which is further described in note 10. The deficit in the City Insurance Fund is being made up through increased premiums charged to the operating funds. The deficit in the Central Services Fund resulted solely from the annual depreciation of over \$6 million in contributed fixed assets.

(13) EMPLOYEE RETIREMENT SYSTEMS:

The City's pension plans are presented in accordance with GASB Statements No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 27 "Accounting for Pensions by State and Local Governmental Employers". The objective of these statements is to enhance the understandability and usefulness of pension information included in the financial statements of state and local governmental employers.

Defined Benefit Plans - Plan Descriptions and Funding Policies

General Employees Retirement System

The General Employees Retirement System is a single-employer defined benefit plan administered by an eight member board of trustees which covers all City employees except police and firefighters. The City's payroll for employees covered by the plan applicable to the September 30, 1997 actuarial valuation was approximately \$45,378,000. The total City payroll at that time was approximately \$95,848,000. As of the valuation date, employee membership data related to the pension plan was as follows:

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

Retirees and beneficiaries currently receiving benefits	929
Terminated employees entitled to benefits but not yet receiving them	21
Fully, partially and non-vested active plan participants	1,300

Under the vesting provisions of the plan, most employees are entitled to 100% of normal retirement benefits after 5 years of service beginning at age 58. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 65. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. These benefit provisions and all other requirements are established by City ordinance.

Employees contribute from 4% to 6% of their earnings to the plan. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of September 30 each year. For the current year the City's contribution rate as a percentage of annual covered payroll was 12.1%.

Police and Firefighters Retirement System

The Police and Firefighters Retirement System is a single-employer defined benefit plan administered by an eight member board of trustees which covers all police and firefighters. The City's payroll for employees covered by the plan applicable to the December 31, 1997 actuarial valuation was approximately \$33,325,000. The total City payroll at that time was approximately \$98,212,000. As of the valuation date, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	573
Terminated employees entitled to benefits but not yet receiving them	26
Fully, partially and non-vested active plan participants	678

Under the vesting provisions of the plan, employees are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 47 or 50. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. These benefit provisions and all other requirements are established by City ordinance.

Employees contribute from 6% to 7% of their earnings to the plan. In addition, contributions are received from the State of Florida. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

December 31 each year. For the current year the City and State of Florida contribution rates as percentages of annual covered payroll were 19% and 8.3%, respectively.

Annual Pension Cost and Actuarial Methods and Assumptions

Annual Pension Cost (APC) is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The APC for the General Employees and Police and Firefighters plans for the last three fiscal years follow:

	<u>General Employees</u>		<u>Police and Firefighters</u>	
	<u>Amount</u>	<u>Percent Contributed</u>	<u>Amount</u>	<u>Percent Contributed</u>
Fiscal Year Ended In:				
1996	\$ 5,091,855	100%	\$ 8,008,653	100%
1997	6,022,556	100	7,092,440	100
1998	5,482,994	100	6,653,658	100

Since the City contributed 100% of the APC in each of the years indicated, there was no net pension obligation at the end of any year for either plan.

Actuarial methods and significant actuarial assumptions used to determine the annual required contributions for the current year follow:

	<u>General Employees</u>	<u>Police and Firefighters</u>
Valuation Date	September 30, 1997	December 31, 1996
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	16-30 Years	6-30 Years
Asset Valuation Method	Three year smoothed market	Investment earnings greater than assumed rate over 4 year
Actuarial Assumptions:		
Investment Rate of Return	7% Including 4% Inflation	8% Including 4.5% Inflation
Projected Salary Increases	4.5% - 6.9%	5.2% - 8.2%
Cost-of-Living Adjustments (COLA)	Ad Hoc COLA's are granted with City Commission approval if investment earnings exceeded the funding assumptions in the prior year.	A COLA, limited to the change in the CPI, is granted each year to the extent it can be funded by the net experience gains during the prior year.

Six year historical trend information is presented in supplementary schedules following these notes (see page 42). In addition, both the General Employees and Police and Firefighters Retirement Systems issue separate financial statements. The Police and Fire plan statements are issued annually and the General Employees plan statements are issued biennially.

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

Defined Contribution Plans

General Employees Special Class Plan

The General Employees Special Class Plan is a single-employer defined contribution plan administered by the City which covers all classified City employees (except police and firefighters) who are not eligible to participate in the General Employees Retirement System. The City's current year payroll for employees covered by the plan was approximately \$829,000. The total City payroll for the year was approximately \$103,548,000.

The City contribution requirement of 9% on earnings of participants was paid on a biweekly basis and amounted to \$74,591 for the current year. Employee contributions are neither required or permitted under the plan.

Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance.

(14) OTHER POSTEMPLOYMENT BENEFITS:

The City provides a postemployment health insurance benefit for its general employees and sworn police officers. Employees are paid from \$100 to \$300 per month upon normal retirement for the purchase of health insurance. The benefit continues until age 65 and is funded on a pay-as-you-go basis. As of September 30, 1998 there were 103 retired employees receiving the benefit with an additional 2,024 employees eligible for participation in the future. Payments totaled \$200,300 for the year.

(15) DEFERRED COMPENSATION PLAN:

The City offers a deferred compensation plan to its employees in addition to the pension plans. Participation is optional. During the current year, the City adopted the provisions of IRS code Section 457(g) and GASB Statement No. 32 "Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans". Under these new provisions, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are no longer reported within the City's financial statements at September 30, 1998.

(16) OTHER INCOME:

The components of other income on the combined statement of revenues, expenditures and changes in fund balances - all governmental fund types follow:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Interfund Service Charges	\$ 12,171,272	4,954	0	0	12,176,226
Assessments and Impact Fees	0	0	0	480,362	480,362

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

Interest	1,006,896	258,725	144,752	3,333,709	4,744,082
Rents and Concessions	1,985,784	123,710	0	0	2,109,494
Sale of Property	730,083	0	0	0	730,083
Contributions and Donations	23,574	0	0	206,088	229,662
Miscellaneous	<u>453,533</u>	<u>445,373</u>	<u>0</u>	<u>0</u>	<u>898,906</u>
	<u>\$ 16,371,142</u>	<u>832,762</u>	<u>144,752</u>	<u>4,020,159</u>	<u>21,368,815</u>

(17) EQUITY TRANSFERS:

Transfers of equity between funds are recorded as equity transfers in the governmental funds and as equity transfers or as additions to and deletions of contributions in the enterprise and internal service funds. A summary of these transactions for the year ended September 30, 1998 follows:

	<u>Equity Transfers In</u>	<u>Equity Transfers Out</u>	<u>Additions To Contributions</u>	<u>Total</u>
Governmental Funds	\$ 3,153,960	(3,723,575)	0	(569,615)
Enterprise Funds	0	(1,219,004)	0	(1,219,004)
Internal Service Funds	<u>0</u>	<u>0</u>	<u>1,788,619</u>	<u>1,788,619</u>
	<u>\$ 3,153,960</u>	<u>(4,942,579)</u>	<u>1,788,619</u>	<u>0</u>

(18) OPERATING LEASES:

On September 1, 1962 the City entered into a lease agreement with Bahia Mar Yachting Center, Inc. (Bahia Mar) for the purpose of constructing and operating a restaurant, lounge, yacht club, motel/hotel, convention hall, marine facilities and other similar businesses. The cost of the property at the inception of the lease was \$552,000. On June 30, 1994 this lease was assumed by RAHN Bahia Mar, LTD. and, as amended, will terminate on August 31, 2062, at which time, all additions to the property originally leased to Bahia Mar will revert to the City.

The lease agreement provides for a minimum guaranteed annual rental of \$300,000 per year. In addition, the City receives contingent rentals (\$431,279 in 1998) based upon escalating percentages of gross receipts for the duration of the agreement.

The City has various aviation leases and nonaviation land leases which are accounted for as operating leases in the Airport Fund. Minimum future rentals on these leases as of September 30, 1998 follow:

	<u>Aviation Leases</u>	<u>Land Leases</u>	<u>Total</u>
Fiscal Year Ending in:			
1999	\$ 659,506	1,763,035	2,422,541
2000	659,506	1,763,035	2,422,541

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

2001	659,506	1,763,035	2,422,541
2002	659,506	1,763,035	2,422,541
2003	649,524	1,763,035	2,412,559
Later Years	<u>10,455,136</u>	<u>53,134,297</u>	<u>63,589,433</u>
	<u>\$ 13,742,684</u>	<u>61,949,472</u>	<u>75,692,156</u>

Contingent rentals on these leases amounted to \$899,016 in the current year.

(19) SEGMENTS OF ENTERPRISE ACTIVITIES:

Various services provided by the City are financed by user charges including water and sewer, sanitation, parking, airport and stormwater. The key financial information (in thousands) for the year ended September 30, 1998 for these services follow:

	<u>Total</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Parking System</u>	<u>Airport</u>	
<u>Stormwater</u>						
Operating Revenues	\$ 58,057	17,403	7,102	3,565	3,044	89,171
Depreciation	7,173	246	751	635	85	8,890
Discount Amortization	33	0	57	0	0	90
Operating Income	9,834	969	1,971	138	999	13,911
Operating Transfers In	9	0	0	0	0	9
Operating Transfers Out	1,700	0	1,046	33	1	2,780
Net Income	11,914	11,778	902	785	1,503	26,882
Capital Contributions	1,463	0	64	1,312	0	2,839
Fixed Asset Additions	10,535	55	2,150	2,306	783	15,829
Fixed Asset Deletions	28	0	0	0	0	28
Net Working Capital	50,296	5,102	7,215	9,305	8,177	80,095
Total Assets	346,618	8,567	32,527	22,109	10,882	420,703
Long-Term Bonds	21,630	0	8,095	0	0	29,725
Other Long-Term Liabilities	0	10,000	0	0	0	10,000
Total Equity	316,040	(3,960)	24,319	21,398	10,487	368,284

(20) COMMITMENTS AND CONTINGENT LIABILITIES:

The City has outstanding commitments for construction and acquisition of property, plant and equipment in the various enterprise funds. The following is a summary of the more significant of these commitments at September 30, 1998:

<u>Water and Sewer Fund</u>	
Injection Well Program	\$ 265,440
Collection and Distribution Systems	4,797,402
Water Storage Tanks	2,047,967
Wastewater Treatment Plant Improvements	2,371,600
Water Treatment Plant Improvements	78,762

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

Sanitary Sewers	367,418
Other	<u>1,124,416</u>
	<u>11,053,005</u>
<u>Airport Fund</u>	
Airfield Improvements	574,406
Noise Monitoring System Enhancements	129,153
Downtown Heliport	<u>997,954</u>
	<u>1,701,513</u>
<u>Stormwater Fund</u>	
Storm Drainage	<u>203,995</u>

\$ 12,958,513

In connection with the issuance by the PACA of a \$9,885,000 revenue bond issue needed to complete construction of the center, the City has made a pledge of the net revenue of the parking system in an amount not to exceed \$500,000 annually should certain PACA revenues be insufficient to pay the debt service on the bonds. At September 30, 1998 the remaining principal outstanding on this issue was \$5,585,000.

On August 9, 1990 the City's wastewater biosolids compost plant was voluntarily taken out of service due to mechanical and odor control system problems. To address the disposal of the wastewater solids generated at the City's regional wastewater treatment plant, the City determined, from both an economic and regulatory standpoint, that the most viable solution was land application of the solids. The cost of the existing plant, which currently has a book value of \$22.9 million, was partially reimbursed by \$15.8 million in EPA grant funds. The City is currently negotiating with the EPA to permanently close the facility. If an agreement is reached, the plant will be disposed of and any reimbursement to the EPA would be limited to proceeds received from the disposal.

The City participates in a number of state and Federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. As provided by terms of their grant, the EPA conducted an interim audit of the compost plant project in 1994 and requested reimbursement of \$1 million at that time. The City has vigorously disputed the EPA's findings and the situation remains unchanged at this time. No liability has been recognized in the Water and Sewer Fund for this contingency as it is management's belief that the final resolution will not have a material impact on the City's financial statements.

The EPA has conducted a remedial investigation at the City's Peele Dixie wellfield site to determine the source of ground water contamination. Primary sources for the contamination have been tentatively determined by the EPA to be a former waste oil reclamation facility and a site currently owned by the State of Florida. The EPA is using the Superfund process to recover remediation costs from the responsible parties. A settlement is anticipated to be reached sometime in 1999. Based upon this information, the City firmly believes that it will not incur additional expenses toward the remediation of this site.

Various substantial lawsuits have been filed against the City including personal injury claims, liability claims related to police activities and general liability claims. The estimated liabilities

CITY OF FORT LAUDERDALE, FLORIDA

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 1998**

related to the various claims have been accrued in the City Insurance Internal Service Fund. In the opinion of City management, the expected liability for these claims would not materially exceed the amounts recorded in the financial statements.

(21) YEAR 2000 ISSUE:

The year 2000 issue is the result of possible shortcomings in electronic data processing systems and other electronic equipment that may not have been programmed to process data accurately when the last two digits of the year change from 99 to 00 which could adversely affect the City's operations.

The City began working on the assessment stage of its year 2000 project in 1992 with an inventory of its mainframe computer systems. During that stage, the decision was made from both an economic and a technological standpoint to replace or upgrade the majority of those systems. Other electronic equipment was also considered in the assessment stage and no critical non-compliance issues were uncovered.

Remediation efforts began in 1994 when the City contracted with the first of several vendors for replacement systems. Commitments outstanding at year end for systems in the remediation stage totaled approximately \$540,000.

The validation/testing stage began in 1998 and is expected to be completed by the summer of the 1999 for all systems considered to be critical to the City's operations. However, because of the unprecedented nature of the year 2000 issue, its effects and the success of the City's remediation efforts will not be fully determinable until the year 2000 and thereafter.

(22) SUBSEQUENT EVENT:

On August 11, 1998 the City sold \$25,970,000 in General Obligation Refunding Bonds, Series 1998 to be used to refund \$25,395,000 of the General Obligation Refunding Bonds, Series 1992. The closing on the issue took place on October 8, 1998 after the close of the fiscal year. The issue provides for semi-annual principal and interest payments with interest rates ranging from 4.0% to 4.5% and a final maturity on July 1, 2007.

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
LAST SIX FISCAL YEARS
(IN MILLIONS)

GENERAL EMPLOYEES RETIREMENT SYSTEM

<u>VALUATION DATE</u>	<u>ACTUARIAL VALUE OF PLAN ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY (AAL)- ENTRY AGE</u>	<u>UNFUNDED AAL (UAAL)</u>	<u>FUNDED RATIO</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL</u>
9/30/92	\$ 120.7	149.9	29.2	80.5 %	\$ 42.0	69.5 %
9/30/93	137.6	165.8	28.2	83.0	43.3	65.1
9/30/94	147.4	181.0	33.6	81.4	41.8	80.4
9/30/95	163.3	192.6	29.3	84.8	42.7	68.6
9/30/96	175.9	215.9	40.0	81.5	43.1	92.8
9/30/97	204.9	225.9	21.0	90.7	45.4	46.3

POLICE AND FIREFIGHTERS RETIREMENT SYSTEM

<u>VALUATION DATE</u>	<u>ACTUARIAL VALUE OF PLAN ASSETS</u>	<u>ACTUARIAL ACCRUED LIABILITY (AAL)- ENTRY AGE</u>	<u>UNFUNDED AAL (UAAL)</u>	<u>FUNDED RATIO</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UAAL AS A PERCENTAGE OF COVERED PAYROLL</u>
12/31/92	\$ 173.9	223.8	49.9	77.7 %	\$ 30.0	166.3 %
12/31/93	190.2	238.9	48.7	79.6	30.1	161.8
12/31/94	201.3	246.2	44.9	81.8	31.3	143.5
12/31/95	222.2	259.8	37.6	85.5	33.0	113.9
12/31/96	247.8	282.9	35.1	87.6	35.0	100.3
12/31/97	282.1	311.4	29.3	90.6	33.3	88.0

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES
LAST SIX FISCAL YEARS

FISCAL YEAR ENDED	GENERAL EMPLOYEES RETIREMENT SYSTEM		POLICE AND FIREFIGHTERS RETIREMENT SYSTEM			
	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	CITY		STATE OF FLORIDA	
			ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
9/30/93	\$ 5,658,572	100 %	\$ 4,565,160	100 %	\$ 1,736,164	100 %
9/30/94	5,222,632	100	6,601,871	100	1,851,225	100
9/30/95	6,253,916	100	6,534,875	100	1,944,969	100
9/30/96	5,091,855	100	8,008,653	100	2,217,051	100
9/30/97	6,022,556	100	7,092,440	100	2,379,035	100
9/30/98	5,482,994	100	6,653,658	100	2,902,854	100